

Success Story

Release Date: December 20, 2007 **Contact:** Jim Hightower (404) 331-0100, ext. 215

Release Number: 07-57

Internet Address: <http://www.sba.gov/ga/>

Female Entrepreneur Uses SBA 7(a) Loan to Acquire Metal Tubing Manufacturer based in Metro Atlanta

--Loan Made to Jenny Bass, 34 Year-Old Wharton School Grad--

When Jenny Bass graduated from the Wharton School of Business in Philadelphia three years ago, she had the management skills to compete for a coveted job with an investment banking house on Wall Street.

However, Bass, a native of Limestone County in North Alabama, said she decided to look south to Atlanta and the possibility of going into business for herself. "I wanted to build something on my own and have more control over my life," she recalled.

When she reached Atlanta, Bass started looking for an existing small company she could acquire, rather than trying to start her own business.

With the help of Abraxas Business Services, a business brokerage firm, and an SBA 7(a) Loan from Cornerstone Bank, Bass found and bought Essve Tech Inc., a small manufacturer of metal tubing used in the concrete reinforcement process.

"When I was at the Wharton School, I took a course in buying a small business and the class gave us a lot of financing options we could use," said Bass. "The instructor told us a lot about the Small Business Administration and its loan programs for existing and start-up small businesses."

Ms. Bass said she got a lot of additional information on SBA loans from several banks before she reached an agreement with Mike Sherman and Cornerstone Bank on her 7(a) financing.

"Ms. Bass' company is the type of business Cornerstone likes to make loans to," explained Sherman, Vice President/SBA Lending at the bank. "Her company is in a niche business within the commercial construction industry. And she only has one major competitor and that firm is on the West Coast."

With the 7(a) Program, the SBA can guarantee 75 percent of a loan up to \$1.5 million with a maximum loan of \$2 million. The loan can be used for new or expanded construction of a small business as well as to purchase equipment or for working capital. The SBA backs these loans to the lender to encourage them to finance risky start-ups or other ventures that may not be able to get conventional funding.



Bass' company, which will have revenues of nearly \$1 million this year, makes corrugated steel tubing that is used as part of the reinforcement of concrete structures, including bridges and commercial buildings.

Since she acquired the firm in late 2004, Bass has moved to diversify her sales from about 50 percent bridge work, to other areas of construction including parking garages and concrete pilings used in off-shore oil rigs.

The specialized steel tubes made by her company are supplied to post-tensioning subcontractors. The tubes house "re-bar" and high-strength steel strands used to support concrete sections of bridges and other structures. The tubing is made of 26 gauge, galvanized steel that is corrugated to prevent the tubes from slipping away from the concrete sections.

After she acquired the company from the previous owner, Bass has increased sales by more than 250 percent. She noted that her company's production is at 100 percent capacity. "We have ordered a new machine that will increase our total capacity by about 75 percent," she added. "That equipment should be operating early next year."

Currently, Bass has five employees, three in production and two in sales and customer service. When the new machine is installed, she says she will add at least one and maybe two more employees to support the increased production.

Bass earned a BS degree in Chemical Engineering from the University of Alabama before getting her MBA from the Wharton School. Her previous employment includes six years in sales and engineering with two fiber manufacturers.

A resident of Buckhead, Bass is a sitting elder at Covenant Presbyterian Church and volunteers as an advocate in the Fulton County Juvenile Court System.

##

**Jenny Bass, President
Essve Tech Inc.
13955 Highway 9 North
Alpharetta, GA 30004
770/740-0498**